



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

June 19, 2007

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First District

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 1552151 & 1810794	\$5,000
(2)	Account Number	LAC+USC – 4582638 & 4462438	\$26,485
(3)	Account Number	LAC+USC – 4843397	\$133,299

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department will be able to receive under the legal settlement involved in the case. The compromise offer of settlement for patient account (2) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account. The compromise offer of settlement for patient account (3) is recommended because the amount is the highest amount that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of revenue totaling approximately \$164,784.

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FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:lg (PCLMARTINEZCOM.PROMISEBRDLTR#531LETTERv4)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: June 19, 2007

Total Charges	\$944,882	Account Number	1552151 & 1810794
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$944,882	Date of Service	06/22/04 – 08/13/04 08/25/04 – 11/02/04
Compromise Amount Offered	\$5,000	% Of Charges	.5%
Amount to be Written Off	\$939,882	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$944,882 for medical services rendered. The patient was approved for the Ability-to-Pay (ATP) program with no liability. The patient is homeless, applied for Medi-Cal but was denied (deemed not disabled). The patient's TPL claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$5,000	33.33%
Lawyer's Cost	\$0	\$0	0%
LAC+USC Medical Center	\$944,882	\$5,000	33.33%
Other Lien Holders	\$0	\$0	0%
Patient		\$5,000	33.33%
Total		\$15,000	100%

Based on financial information provided by the patient, it appears that the patient is unable to pay the full amount of charges and has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: June 19, 2007

Total Charges	\$105,933	Account Numbers	4582638 & 4462438
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$105,933	Dates of Service	6/17/06 – 6/28/06 7/17/06 – 7/25/06
Compromise Amount Offered	\$26,485	% of Charges	25%
Amount to be Written Off	\$79,448	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$105,933 for medical services rendered. The patient did not qualify for Medi-Cal and since she was an out-of-county patient, was not eligible for Los Angeles County's Low Cost/No Cost programs. Based on financial information provided, it appears the patient does not have the financial means to pay the full cost of care. This compromise offer of settlement is recommended because this is the highest amount the patient is able to contribute to settle the account.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: June 19, 2007

Total Charges	\$286,385	Account Number	4643397
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$286,385	Date of Service	7/31/06-9/24/06
Compromise Amount Offered	\$133,299	% Of Charges	47%
Amount to be Written Off	\$153,086	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations. Pursuit for additional recovery of charges would be difficult since the patient is a foreign national living in Seattle and was visiting Los Angeles when the medical treatment was provided.